



Irish Life Weekly Investment Bulletin

The week that was – WEEK 15 (ending 14/04/2017)

“Do it with passion, or not at all.” – Rosa Nouchette Carey

Central Bank revises up Irish economic growth forecasts – The Central Bank raised its 2017 economic growth forecasts for the first time in more than a year, an increase to 3.5% from 3.3% three months ago, following a more muted impact from Brexit than expected. It increased its forecast for 2018 to 3.2% from 3%.

Irish annual inflation rate hits near four-year high in March – Data from the Central Statistics Office showed the annual inflation rate hit its highest level in almost four years in March when prices rose 0.7% on a year-on-year basis, the highest since July 2013. The EU inflation rate over the same period was 0.6%.

Global stock market down 0.9% on the week – The MSCI AC World TR Index had a -0.90% return from 7th April to 14th April as markets responded to the rise of geopolitical tensions in the Korean peninsula and Syria. Volatility, as measured by the Chicago Board Options Exchange Volatility index, rose to 16 from 12.8.

Fed Chief aims to let 'healthy' U.S. economy coast along – Federal Reserve Chair Janet Yellen reported that the plan is to raise U.S. interest rates gradually which is aimed at sustaining full employment and near-2% inflation without letting the economy overheat. She also said "I think we have a healthy economy now."

IMF still weighing up Greek bailout – International Monetary Fund chief Christine Lagarde said Greece was heading in the right direction on reforms, but talks on its latest bailout review and the IMF's potential role in it were "only halfway through" following euro zone finance ministers agreement on the key elements of reforms.

U.S. retail sales and inflation data suggest weak first quarter growth – The Commerce Department reported that retail sales dropped 0.2% in March (following a 0.3% fall in February). Labor Department data showed inflation falling 0.3% in March, the first decrease in 13 months and biggest drop since January 2015.

The Story of the week: The first woman to finish the Boston Marathon has done it again, this time 50 years later. Kathrine Switzer was a Syracuse University student when she entered the marathon in 1967 under the name K.V. Switzer, to keep her gender secret, as it was felt at the time that women were too fragile to run such a long race! In a series of images that became famous, she was at the time seen running with the number 261 attached, when marathon co-director Jock Semple grabbed her and tried to stop her run. Now, after half a century, at age 70, wearing the same number, she was all smiles, and just a little out of breath, as her feet carried her 26.2 miles and thousands cheered as she ended the race in a time of 4:44:31. Her time at age 20 in 1967 was four hours and 20 minutes.

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Index Performances and Market Data*

Equity Markets % (in Local Currency)	2012	2013	2014	2015	2016	2017 YTD (to 14/04)
ISEQ Overall Return	20.5	35.8	16.8	33.6	-2.7	3.4
FTSE 100 TR	10.0	18.7	0.7	-1.3	19.1	3.9
Euro Stoxx 50 TR	18.1	21.5	4.0	6.4	3.7	5.2
S&P 500 TR	16.0	32.4	13.7	1.4	12.0	4.6
Nasdaq Composite	15.9	38.3	13.4	5.7	7.5	7.8
Nikkei 225	22.9	56.7	7.1	9.1	0.4	-4.1
MSCI Emerging Markets	13.9	0.9	2.6	-8.0	7.1	7.6
MSCI AC World (Gross TR)	16.5	26.2	9.9	1.8	9.7	4.8
Sovereign 10yr Bond Yields (%)	2012	2013	2014	2015	2016	2017 YTD
U.S.	1.7	3.0	2.2	2.2	2.4	2.2
German	1.4	1.9	0.5	0.6	0.2	0.2
UK	1.9	3.0	1.9	1.9	1.2	1.0
Japan	0.7	0.7	0.3	0.2	0.0	0.0
Ireland	4.5	3.4	1.3	1.1	0.7	0.9
Italy	4.6	4.1	2.1	1.6	1.8	2.3
Greece	12.7	8.2	9.6	7.9	7.1	6.7
Portugal	6.9	6.1	2.7	2.5	3.8	3.8
Spain	5.4	4.1	1.6	1.7	1.4	1.7
Central Bank Rates (%)	2012	2013	2014	2015	2016	2017 YTD
ECB	0.75	0.25	0.05	0.05	0.0	0.0
Bank of England	0.5	0.25	0.50	0.50	0.25	0.25
U.S. Federal Reserve	0.25	0.25	0.25	0.50	0.75	1.00
Foreign Exchange Rates	2012	2013	2014	2015	2016	2017 YTD
Euro/Dollar (€/€)	1.31	1.37	1.21	1.09	1.04	1.07
Euro/Sterling (€/£)	0.81	0.83	0.78	0.75	0.84	0.85
Sterling/Dollar (£/\$)	1.61	1.65	1.56	1.46	1.24	1.27
IPD All Property Return (%)	2012	2013	2014	2015	2016	2017
Ireland	3.1	12.7	40.1	25.0	12.8	N/A
U.K.	2.7	10.7	17.8	13.1	3.6	N/A
U.S.	5.3	11.4	11.2	12.1	7.8	N/A

*Past performance is not a reliable guide to future performance